



December 1, 1988

INTERSTATE COMMERCE COMMISSION

DEC 13 1988 9-50 AM

RECORDATION NO. 8796-0 FILE 1425

Istel Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000
(415) 781-1035 Fax

8-348A020

Hon. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Amendment No. 3 to Lease Agreement dated January 25, 1977,
between Istel Rail Corporation and Apalachicola Northern
Railroad Company

Dear Ms. McGee:

On behalf of Istel Rail Corporation, the above instrument, in
three (3) counterparts, is hereby submitted for filing and
recording pursuant to 49 U.S.C. Section 11303(a), along with the
\$13 recordation fee.

Please record this Amendment under the Lease Agreement dated
January 25, 1977, between Istel Rail Corporation and Apalachicola
Northern Railroad Company, which was filed with the ICC on April
27, 1977, under Recordation No. 8796.

The parties to the aforementioned instrument are listed below:

Istel Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

Apalachicola Northern Railroad Company (Lessee)
300 First Street
Port St. Joe, Florida 32456

This Amendment covers nineteen (19) 50'6", XM boxcars bearing
reporting marks AN 2250-2268, which replace seventeen (17)
destroyed boxcars and adds two (2) more to the Lease Agreement.

Please return to the undersigned the stamped counterparts not
required for filing purposes, together with the ICC fee receipt
and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Department

Dec 13 9 42 AM '88
100-141-20
100-141-20

Interstate Commerce Commission
Washington, D.C. 20423

12/13/88

OFFICE OF THE SECRETARY

Patricia Schumacker
Itel Rail Corporation
55 Francisco Street
San Francisco, Calif. 94133

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/13/88 at 9:50am, and assigned recordation number(s). 8796-0

Sincerely yours,

Nanta L. McGee

Secretary

Enclosure(s)

ASSIGNED TO FIRST SECURITY BANK
OF UTAH, N.A., TRUSTEE, UNDER
A LEASE ASSIGNMENT.

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN
FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER
FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL
RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

AMENDMENT NO. 3

INLAND STATE COMMERCE COMMISSION
DEC 13 1988 9-50 AM
RECORDATION NO. 8796-0 Filed 1429

THIS AMENDMENT NO. 3 (the "Amendment") to the Lease Agreement dated January 25, 1977, as amended, the ("Agreement") between ITEL RAIL CORPORATION, as successor in interest to SSI Rail Corp. ("Lessor"), and APALACHICOLA NORTHERN RAILROAD COMPANY ("Lessee") is made as of this 3RD day of November, 1988 between Lessor and Lessee.

R E C I T A L S:

- A. Lessor and Lessee are parties to the Agreement pursuant to which six hundred and eighty-five (685) boxcars (the "Boxcars") described therein have been leased by Lessor to Lessee.
- B. Two (2) Boxcars bearing the reporting marks AN 5485 and AN 5862 were destroyed on July 25, 1988 and December 15, 1987, respectively.
- C. Lessor and Lessee desire to (i) add two additional boxcars to the Agreement, (ii) replace the fifteen (15) destroyed Boxcars listed on Amendment No. 2. dated September 7, 1988 and (iii) replace the two (2) Boxcars described in Section B hereinabove.

NOW, THEREFORE, in the consideration of the premises and mutual covenants herein contained, the parties hereto agree to amend the Agreement as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in this Agreement.
2. Effective upon delivery or final Boxcar, the seventeen (17) destroyed Boxcars bearing the reporting marks AN 5085, AN 5123, AN 5160, AN 5223, AN 5239, AN 5243, AN 5252, AN 5321, AN 5444, AN 5462, AN 5485, AN 5515, AN 5645, AN 5714, AN 5735, AN 5741, AN 5862, respectively, are replaced by the Boxcars described on Equipment Schedule No. 5 attached hereto.
3. With respect to the Boxcars bearing the reporting marks AN 2250-2268 only, Subsection 2.A. is replaced by the following:

"This Agreement shall remain in full force and effect until it shall have been terminated as to all Boxcars as provided herein. The term of this Agreement with respect to each Boxcar shall commence on the date such Boxcar was delivered pursuant to Subsection 3.A. and shall continue for each Boxcar on this Schedule through and including July 6, 1992."

4. Except as expressly modified by the Amendment, all terms and provisions of the Agreement shall remain in full force and effect with respect to all of the boxcars subject to the Agreement.

5. This Amendment may be executed by the parties hereto in any number of counterparts, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

By: *R. D. Hayes*
Title: *President*
Date: *November 15, 1988*

APALACHICOLA NORTHERN RAILROAD
COMPANY

By: *J. E. Johnston, Jr.*
Title: *Vice President*
Date: *11/3/88*

EQUIPMENT SCHEDULE NO. 5

Itel Rail Corporation hereby leases the following Boxcars to Apalachicola Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of January 25, 1977, as amended.

| AAR Mech Design. | Description | Numbers | Length | Dimensions | | Doors Width | No. of Cars |
|------------------------|--|------------------|--------|-----------------|--------|---------------------|-------------------|
| | | | | Inside Width | Height | | |
| XM | 5077 Cubic Feet, 50' General Purpose Boxcar, with end of car cushioning, Plate C | AN 2250- 2268 | 50'6" | 9'6" | 10'7" | 10' Sli- ding | 19 |

ITEL RAIL CORPORATION

By: *J. D. Hayes*

Title: *President*

Date: *November 16, 1988*

APALACHICOLA NORTHERN RAILROAD COMPANY

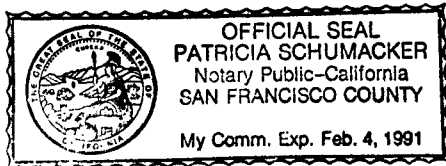
By: *J. E. Johnston Jr.*

Title: *Vice President*

Date: *11/3/88*

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 16th day of November, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 3 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said of corporation.



Patricia Schumacker
Notary Public

STATE OF Florida)
) ss:
COUNTY OF Gulf)

On this 3rd day of November, 1988, before me personally appeared T. E. JOHNSTON, JR., to me personally known, who being by me duly sworn says that such person is VICE PRESIDENT of Apalachicola Railroad Company that the foregoing Amendment No. 3 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said of corporation.

Alema J. Stitt
Notary Public

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. FEB 18, 1991
BONDED THRU GENERAL INS. UND.

AMENDMENT NO. 3

DEC 13 1988 9-50 AM

RECORDATION NO. 8796-0 FILED 1425

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R E C I T A L S:

- A. Lessor and Lessee are parties to the Agreement pursuant to which six hundred and eighty-five (685) boxcars (the "Boxcars") described therein have been leased by Lessor to Lessee.
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NOW, THEREFORE, in the consideration of the premises and mutual covenants herein contained, the parties hereto agree to amend the Agreement as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in this Agreement.
2. Effective upon delivery or final Boxcar, the seventeen (17) destroyed Boxcars bearing the reporting marks AN 5085, AN 5123, AN 5160, AN 5223, AN 5239, AN 5243, AN 5252, AN 5321, AN 5444, AN 5462, AN 5485, AN 5515, AN 5645, AN 5714, AN 5735, AN 5741, AN 5862, respectively, are replaced by the Boxcars described on Equipment Schedule No. 5 attached hereto.
3. With respect to the Boxcars bearing the reporting marks AN 2250-2268 only, Subsection 2.A. is replaced by the following:

"This Agreement shall remain in full force and effect until it shall have been terminated as to all Boxcars as provided herein. The term of this Agreement with respect to each Boxcar shall commence on the date such Boxcar was delivered pursuant to Subsection 3.A. and shall continue for each Boxcar on this Schedule through and including July 6, 1992."

4. Except as expressly modified by the Amendment, all terms and provisions of the Agreement shall remain in full force and effect with respect to all of the boxcars subject to the Agreement.

ASSIGNED TO FIRST SECURITY BANK
OF UTAH, N.A., TRUSTEE, UNDER
A LEASE ASSIGNMENT.

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN
FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER
FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL
RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

5. This Amendment may be executed by the parties hereto in any number of counterparts, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

By: *D. D. Myers*
Title: *President*
Date: *November 16, 1988*

APALACHICOLA NORTHERN RAILROAD
COMPANY

By: *J. E. Johnston, Jr.*
Title: *Vice President*
Date: *11/3/88*

EQUIPMENT SCHEDULE NO. 5

Itel Rail Corporation hereby leases the following Boxcars to Apalachicola Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of January 25, 1977, as amended.

| AAR Mech Design. | Description | Numbers | Length | Dimensions | | Height | Doors Width | No. of Cars |
|------------------------|--|------------------|--------|-----------------|--|--------|---------------------|-------------------|
| | | | | Inside Width | | | | |
| XM | 5077 Cubic Feet, 50' General Purpose Boxcar, with end of car cushioning, Plate C | AN 2250- 2268 | 50'6" | 9'6" | | 10'7" | 10' Sli- ding | 19 |

ITEL RAIL CORPORATION

By: *D. H. Meyer*

Title: *President*

Date: *November 16, 1988*

APALACHICOLA NORTHERN RAILROAD COMPANY

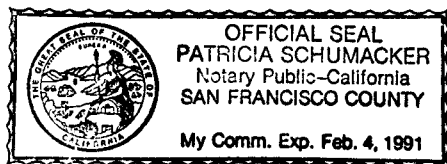
By: *J. E. Johnston Jr.*

Title: *Vice President*

Date: *11/3/88*

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 16th day of November, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 3 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said of corporation.



Patricia Schumacker
Notary Public

STATE OF Florida)
) ss:
COUNTY OF Duval)

On this 3RD day of November, 1988, before me personally appeared T. F. JOHNSTON, JR., to me personally known, who being by me duly sworn says that such person is VICE PRESIDENT of Apalachicola Railroad Company that the foregoing Amendment No. 3 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said of corporation.

Allyson J. Stitt
Notary Public
NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. FEB 10, 1991
BONDED THRU GENERAL INS. US\$

A circular notary seal stamp is partially visible on the right side of the page, overlapping the signature and text. It contains the text "NOTARY PUBLIC STATE OF FLORIDA" and "COMMISSION EXPIRES FEB 10, 1991".